



Global Surface Limited

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Offer Details

Issue Size	Rs.154.98Cr.
Shares Face Value	Rs.10 per share
Shares price band	Rs.133 to Rs.140 per share
Lot	100 shares
Opening Date	March 13, 2023
ClosingDate	March 15, 2023

Business Overview

- Company is engaged in the **business of processing natural stones and manufacturing engineered quartz.**
- Company has **2 manufacturing Units both are located at Jaipur.**
- **Unit I is 20488 Sq. mtrs.** It is exclusively dedicated to processing natural stone like marble, granite & quartzite.
- **Unit II is 24139 sq. mtrs.** It is dedicated towards manufacturing and also has Research and Development facility.
- **Company is equipped with a R&D facility to develop, improve and test products.**
- **Approximately 99% of revenues from operations have been derived from exports.**
- **Company export its product to USA, Canada, Australia, Middle East.**
- **Company has 2 Subsidiary one in USA and One in Dubai.**
- **Company has B2B business Model.**
- **Product has applications in flooring, wall cladding, countertops, cut-to-size, and other items.**
- **Natural business Products include:**
 - Marble
 - Granite
 - Quartzite & Other

- **Engineered stone products includes:**
 - Engineered Quartz
 - Polymer Concrete
 - Engineered marble
- Both **marble and granite has 66% market share.**
- Company has total of **302 Employees.**
- **Globally both natural and engineered stone has 6547 Cr. market and expected to go 11450 by 2032.** (Source: RHP Global Surface Limited).
- **Subsidiary of USA** (Global Surface Incorporation, USA) is **engaged in business of purchase, sale, supply and distribution of quartz, marble, granites and other similar stones.**
- **Subsidiary of Dubai** (Global Surface FZE, Dubai) is **engaged in a business of manufacturing of engineered quartz.**

What is working for company?

- **Consistent Growth** of a Company from a single category to multi-category stone manufacturing and also increased acceptance of newer product categories in market.
- Company started its business activities with processing of natural stones and now are in manufacturing engineered quartz which has **enabled them to diversify their product portfolio manifold.**
- **Established presence in international markets** as majority of revenue comes from export and company majorly focus is in USA.
- **Company has in house R&D facility at Jaipur** where they focus on developing good quality and cost- efficient engineered quartz.

What is not working for company?

- **Company is depended on few customers for major part of revenue** and also not have long term contract with their customers any failure in these may affect the business.
- **Major portion of revenue is deriving from USA** any adverse condition in that country may affect the business and profitability.
- **Business is more working capital intensive** and if unable to meet these requirements may affect the business operations.
- **Company, Promoter, Promoter group members and some of Directors are currently involved in certain legal proceedings.**
- **Capacity utilization of natural stone is decreasing from 63% in 2020 to 29% in 2022 and Quartz from 70% to 69% in 2022.**

Financial Statements

Profit & Loss Statement

(Fig. in cr.)

	Mar 2020	Mar 2021	Mar 2022
Sales +	163	176	191
Expenses +	123	128	148
Operating Profit	41	48	43
OPM %	25%	27%	22%
Other Income +	2	3	7
Interest	5	3	3
Depreciation	17	13	11
Profit before tax	21	35	36
Tax %	-1%	2%	1%
Net Profit	21	34	36
EPS in Rs	32.50	52.61	36
Dividend Payout %	0%	0%	0%

 VS
 rate 10.52% lows.

Source: Screener.in

Balance sheet

(Fig. in cr.)

	Mar 2020	Mar 2021	Mar 2022
Share Capital +	6	6	34
Reserves	58	92	100
Borrowings +	54	38	79
Other Liabilities +	11	22	23
Total Liabilities	129	159	236
Fixed Assets +	60	54	88
CWIP	0	1	7
Investments	0	0	11
Other Assets +	69	104	131
Total Assets	129	159	236

Source: Screener.in

Cash Flow Statement

(Fig. in cr.)

	Mar 2020	Mar 2021	Mar 2022
Cash from Operating Activity +	54	32	28
Cash from Investing Activity +	-11	-8	-28
Cash from Financing Activity +	-46	-19	-3
Net Cash Flow	-3	5	-3

Source: Screener.in

Our Recommendation

We recommend you to **Subscribe for Short Term** to this IPO on the following parameters:

- Company is depended on few customers for major part of revenue.
- Major portion of revenue is deriving from USA.
- Approximately 99% of revenues from operations have been derived from exports.
- Company is engaged in the business of processing natural stones and manufacturing engineered quartz.

Subscribe for the IPO:
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